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Democratic Senators offer solutions to problems caused by reassessment

INDIANAPOLIS—Four Democratic state senators are calling on their fellow legislators to take action in the upcoming legislative session to help offset the effects of the recent reassessment process in Indiana.

Senators Vi Simpson of Ellettsville, Lindel Hume of Princeton, Glenn Howard of Indianapolis, and Richard Young of Milltown, the Senate Democratic Floor Leader, told a Statehouse news briefing Friday that legislators during their special session last summer implemented measures aimed at offsetting the effects of court-ordered reassessment.

“We took steps to reduce everybody’s taxes,” Simpson said. “As a result, we saved property taxpayers over a billion dollars. Now it is time for us to finish what we started by protecting those Hoosiers who have been particularly hard hit by this court-ordered reassessment”

The Democratic legislators offered what they described as “suggestions” for helping Hoosier in four (4) categories who have been most negatively impacted by reassessment: the elderly, low-income families, residents living in older urban neighborhoods, and family farmers.

“Many of these proposals have been offered by this caucus in the past,” Hume declared. “Because of the reassessment, we believe it is time to put them on the table again. We offer them with the hope that they will stimulate healthy discussion and debate among citizens and legislators as to how we should address the problems caused by reassessment.”

“We believe it’s time to stop playing the ‘blame game’ over who is responsible for higher assessments and work toward finding a solution to help those who been especially hurt by the process,” Howard remarked. “The recent reassessment is unlike any we’ve ever done before. This is the first time in the history of Indiana that the state has been ordered to overhaul the way it assesses property.”

The Democratic senators are proposing the establishment of:

- (1) deferred property tax payment programs for senior citizens. 24 states and the District of Columbia allow some form of deferred payment.
- (2) “circuit breaker” programs for lower income working families. These programs are designed to deliver tax relief when certain thresholds or characteristics are met. Over 30 states offer such programs.
- (3) neighborhood revitalization tax credits and deductions where there is a policy interest to do so. An excellent case can be made that it is in the state’s interest to encourage investment in older neighborhoods to stimulate inner cities and reduce urban sprawl.
- (4) farmstead credit for family farmers. For example, Iowa gives a tax credit for farms of at least 10 acres, and the land is farmed by the owner or the owner’s immediate family members.

“In the long run, we must continue our efforts to eliminate our destructive dependence on property taxes,” Simpson concluded. “Our goal should be to replace this antiquated system with a tax system that is fair and equitable – a system based on one’s ability to pay. But in the short run, we can protect those homeowners who are suffering because of the action of the court.” Simpson, the Ranking Democrat on the Senate Finance Committee, played an active role in last year’s efforts to reduce property taxes for most Hoosiers homeowners.